



Congresswoman Stephanie Murphy

Floor Statement on H.R. 5443 (Reps. Mike Kelly and Stephanie Murphy)

To amend the Internal Revenue Code to require electronic filing of the annual returns of exempt organizations and provide for making such returns available for public inspection

*April 17, 2018*

Thank you, Mr. Speaker.

I'm proud to be the lead Democrat on this bipartisan bill, which would provide government officials with the timely information they need to prevent and punish fraud in connection with charitable solicitations and the use of charitable assets.

I want to thank my colleague and co-lead from Pennsylvania, Congressman Mike Kelly, for his leadership on this issue.

I also want to thank the chairman, ranking member, and members of the Ways and Means Committee, which unanimously approved this bill last week.

Our bill would require charities to annually file Internal Revenue Service Form 990—the form used by tax-exempt organizations—in electronic as opposed to paper format. It would also require the IRS to make these electronic filings available to the public in machine-readable format.

Our legislation has been endorsed by the National Association of State Charity Officials, or NASCO, which is an association of state agencies that oversee charitable organizations, including the Florida Department of Agriculture and Consumer Services in my home state.

The purpose of our bill is threefold:

First, it would help law enforcement agencies and government regulators identify, shut down, and prosecute fraudulent charitable organizations that use financial contributions for their personal benefit, rather than to help those in need.

Second, it would protect American taxpayers who make generous donations to charitable organizations and deserve to feel a sense of security that their hard-earned money is being used for its intended purpose.

And third, it would help reduce the often excessive and overlapping federal and state filing requirements applicable to charitable organizations, which these organizations spend considerable time, money, and resources complying with every year. This would enable genuine tax-exempt

organizations to focus more on their charitable mission, whether it is raising money for wounded warriors, cancer research, or victims of gun violence, or other important causes.

I would note that, in its letter of support for this legislation, NASCO states that having electronic data for all Form 990 filers—as this bill mandates—would ensure that the states have the ability to identify and stop fraudulent activity that harms charities and donors more quickly and effectively. NASCO further states that the bill could result in returning significant resources to charitable organizations that these organizations must currently devote to compliance with unnecessary government filing requirements.

In closing, I respectfully ask my colleagues in this chamber to support the bill, and I urge my colleagues in the Senate to quickly follow suit.

Thank you, and I yield back.